TAUĀKĪ WHĀINGA MAHI

STATEMENT OF PERFORMANCE EXPECTATIONS

2025/26

REANNZ

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FOREWORD FROM THE BOARD /

The Board of REANNZ is pleased to provide REANNZ's Statement of Performance Expectations for 2025/26, with a particular focus on delivery for the first six months of the financial year.

REANNZ has been working alongside the team at New Zealand e-Science Infrastructure (NeSI), to integrate the two operations and enable the creation of an integrated hub for eResearch infrastructure in New Zealand/Aotearoa.

This integration of NeSI into REANNZ was requested by the Minister of Science, Innovation and Technology and is based on the premise that Ministry of Business, Innovation and Employment Strategic Science Investment Funding will transfer from NeSI into REANNZ at the start of the new financial year.

From 1 July 2025, REANNZ will support a wider community of researchers and educators with an expanded set of services and technologies and guided by a new purpose.

The integration comes as REANNZ approaches its 20th birthday in September, a milestone to be celebrated as we look forward to a new era for the business.

The Board are excited by the future we see for the organisation, and the sector, following this integration. We aim to provide all researchers and educators with the eResearch infrastructure, support and training they need to progress at pace and scale.

As a crown-owned company, REANNZ will ensure a robust governance and management structure around the centralised delivery of services and its

membership and pricing model, resulting in greater sector coordination, increased transparency and a better return on investment for government.

This is our opportunity to advance the maturity and quality of eResearch, to engage more broadly and deliver more impact for New Zealand Inc.

In turn, our research and education sectors will play an even greater role in delivering economic growth and supporting a more prosperous society.

We expect to deliver a new Statement of Performance Expectations later this year, reflective of our new operating environment. As such, the performance indicators in this SPE are reflective of REANNZ's current state, rather than future.

The integration project has absorbed significant time and resource as the teams work at pace to prepare for 1 July, while maintaining continuity of service for our existing members. Despite the shift in focus, REANNZ is on track to achieve most of the objectives outlined in the Statement of Performance Expectations 2024/25.

This year sees REANNZ entering its fourth year of delivery in a five-year strategy, building a flexible, responsive organisation that is strongly connected to the research and education sector.

The business is progressing well in its refresh of the domestic network with upgrades on-track to be completed by the end of September 2025. This work has delivered additional resilience, lower costs and lower power consumption for members. In addition, REANNZ has delivered a suite of new connectivity solutions enabling members to connect smaller satellite sites to the network.

In the year ahead, we will commence an upgrade of our international network hardware and will continue our focus on resilience in relation to natural disasters and cyber security.

Our aim to deliver universal connectivity and digital equity has been strengthened with the delivery of two firsts; the first airport in New Zealand and the first wireless internet service provider (WISP) to become eduroam enabled. An additional 14 high schools deployed eduroam this year bringing the total number of eduroam sites in New Zealand to over 400.

Following on from the National Network Strategic Review conducted in 2023, we co-developed a products and services roadmap with members. By leveraging our local and global relationships, we have been able bring new products and product extensions, to members. These include a phishing disruption service, launched in partnership with NCSC, reducing the amount of malicious email traffic our members are having to manage.

We remain committed to our role as a 'fast follower', leveraging our global relationships to identify areas of best practice and bring Global Research and Education Networks (GREN) development solutions back to the New Zealand market for the benefit of our members and New Zealand Inc.

This year we introduced GREN services FileSender and eduroam Visitor Access in New Zealand, providing sector-specific alternatives to existing commercial offerings. We continue to work with the New Zealand Government on how we can adapt the European Govroam service to support public sector mobility in shared environments.

REANNZ manages capacity on the Hawaiiki international cable on behalf of the Crown. Under the terms of our agreement, this capacity will increase over the next few years. This creates a significant opportunity to create more

value for the sector, and New Zealand Inc, by broadening the scope of our activities and bringing on new membership to make the most of this increase in capacity.

This year, as we work to maximise the opportunities presented by our newly integrated business, we will work closely with our communities and people, to continuous to improve our products and services, and respond more effectively to their changing needs.

The priorities and initiatives outlined in this document support REANNZ's ambitions described in the Statement of Intent 2023–2026. We anticipate issuing a new Statement of Intent in June 2026, covering the years 2026-2029.

The hub for eResearch infrastructure is aligned to the Government's research and science reforms. REANNZ is committed to, support the outcomes the Minister is seeking: to maximise investment and create a more dynamic science, innovation and technology system that can respond to priorities and keep pace with technological advances.

We look forward to an exciting and dynamic period focusing on growth and contributing to New Zealand's science and education success.

Helen Robinson ONZM
Chair

30 June 2025

WHO WE ARE /

REANNZ is a Crown-owned membership organisation that operates and supports a specialist high-performance digital network engineered to meet the unique performance demands of New Zealand/Aotearoa's research and education sector.

Our network connects researchers to each other within New Zealand/Aotearoa and across the globe, supporting them to collaborate and contribute to global science initiatives and ground-breaking studies.

From July 2025, with the integration of the people, services and technologies of New Zealand e-Science Infrastructure (NeSI), an expanded REANNZ will offer a comprehensive hub for eResearch infrastructure, delivering network and high-performance computing infrastructure, associated products and services, and researcher-focused user support.

Our members include museums, libraries, Crown research institutes, wānanga, universities, Te Pūkenga – New Zealand Institute of Skills and Technology, independent research organisations and government organisations.

VISION /

A globally connected and thriving research and education sector.

MISSION /

Connecting researchers and educators so they can change the world.

OUR PURPOSE /

CONNECTING RESEARCHERS. EVERYWHERE.

We provide New Zealand's National Research and Education Network (NREN). It offers our members the technology and infrastructure to collaborate with and contribute to global science initiatives and ground-breaking studies.

New Zealand's NREN connects to over 120 others around the world, creating regional partnerships and international communities that promote collaboration.

OUR PEOPLE /

Our people come from a diverse range of backgrounds, combining their technical expertise with a whole-hearted focus on members and their needs. They're united around a single goal: to have a positive impact on New Zealand through research and education.

Specialist network operators

We manage an advanced network, providing seamless, real-time transfer of critical research data. We are part of an international federation of network operators dedicated to the research and education sector.

Global connectors

As a partner in the GREN, we connect New Zealand to the global research community, providing access and identity services so members can connect and collaborate wherever they are.

Technical experts for the research and education sector

We provide a range of expertise and capability, products and services to support the specialist needs of our members, helping them move data, deliver computational and data intensive research, and enabling collaboration.

OUR NETWORK /

Since we launched our network in 2006, it has become the backbone of New Zealand/Aotearoa's innovation, research and education sectors.

It is designed to move and share data around the country, and across the world, at a scale that isn't consistently possible using a standard network. Capacity alone is not sufficient; other technical features and dedicated data transfer support make it possible for all researchers and educators to collaborate on a global scale.

Today, our network supports thousands of people across the research and education sectors within New Zealand/Aotearoa. It connects into high-performance computing tools like the supercomputer at NIWA and provides access to specialist scientific instruments, like the Australian Synchrotron and on-site storage arrays.

Alongside our specialist network, we support the sector with the expertise and capability, products, tools and services they need to collaborate, educate and deliver excellent research.

We also deliver value by partnering with over 120 research and education networks around the world. Essentially, we help connect scientific enterprises, providing access to the infrastructure and solutions the sector needs to collaborate and create impact. By being part of this community, REANNZ enables the New Zealand research community to collaborate with global partners, by guaranteeing consistent data transfer capability worldwide.

What's an NREN?

National research and education networks (NRENs) are specialised internet providers set up by countries around the world to help innovators, researchers and educators share data and collaborate.

These advanced networks connect to each other across local networks and subsea cable systems.

The internet, emails and social media were all invented on NRENs.

STRATEGIC INTENT /

REANNZ connects researchers and educators so they can change the world.

We provide connectivity and services to our members so that they can connect and collaborate within their own organisations and with the wider research and education sectors, nationally and globally.

We are now entering year four of a five-year strategy focused on the following four key areas.

We'll connect New Zealand/Aotearoa.
Providing all researchers, educators and students with access to the infrastructure and connectivity they need to advance their work wherever they are. Providing all researchers, educators and students with access to the infrastructure and connectivity they need to advance their work wherever they are.

We're building our global connections.
Investing in and leveraging our global relationships, bringing GREN solutions to the New Zealand market to deliver cost savings and global connectivity.

We'll make it easy.
Working in partnership with the research and education sector to improve inter-operability and consistency, co-designing products and services to respond to members' changing requirements.

Mātauranga Māori will be embedded in our strategy and practices.
Supporting the aspirations of the Māori research and education community is an integral part of REANNZ's work.

Over the past year, we've made good progress implementing our strategy alongside the work undertaken to integrate the people, services and technologies of NeSI, into REANNZ.

We've listened to the sector, increased the flexibility and accessibility of our network and worked together to deliver our products and services roadmap. Off the back of our National Network Strategic Review in 2023, REANNZ now aggregates sector demand and partners with the commercial sector to develop solutions.

We've worked with commercial providers to extend the reach of our network and services into the regions, an important enabler for digital and cyber equity. We've upgraded our domestic network infrastructure and delivered a suite of new connectivity solutions enabling members to connect smaller satellite sites to the network.

We have increased our leadership role and participation in the GREN, actively identifying areas of best practice internationally and leveraging these for the benefit of REANNZ members as part of our product roadmap work.

By leveraging our local and global relationships, we have been able bring new products and product extensions to members as part of our evolving product and services roadmap. These include a phishing disruption service, launched in partnership with NCSC, reducing the amount of malicious email traffic our members are having to manage.

We also launched GREN services Filesender and eduroam Visitor Access in New Zealand, providing sector-specific alternatives to existing commercial offerings. These complementary services bring a level of consistency to the global research and education community and have enabled members to reduce operating costs.

We've continued our focus on building awareness and capability to support mātauranga Māori; understanding the requirements of Māori researchers and the challenges of managing sovereign data; and onboarding new Māori research organisations.

We continue to educate staff on Te Tiriti and te reo so that our people can credibly represent REANNZ in conversations with the Māori research and education sectors.

WHERE WE'RE HEADING /

The research and education sector, and the technology that supports it, continues to change; with more focus on remote and cloud-based computing and increasing demand for seamless access to trusted research environments. In New Zealand, data sovereignty, security and digital equity are increasing concerns.

REANNZ is changing also, to ensure we can continue to deliver critical infrastructure for the sector and deliver even more value to our members.

The integration of the services and capabilities provided by NeSI, into REANNZ, is an exciting opportunity to strengthen eResearch infrastructure in New Zealand/Aotearoa and better support our research, education and innovation sectors to deliver quality outcomes.

The integrated organisation will span the eResearch ecosystem from research and education institutions to private sector providers and individual researchers and their projects. This will facilitate more comprehensive engagement and position REANNZ to be a connector and advocate for the eResearch sector.

It will decrease fragmentation, create critical mass and scale efficiencies, and will increase the organisation's ability to respond to evolving technology and sector needs, particularly in critical areas like AI.

Our shared goal is to maximise the impact of current investment and achieve greater national reach so we can:

> better support institutions to grow the sophistication and uptake of digital research

> ensure equitable access to specialist capabilities

> improve the quality of the sector's skills pipeline, training and capability development, and

> achieve greater gains through efficiencies of scale and enhanced co-ordination, collaboration and partnership

We will play our part in achieving sector growth by delivering centralised infrastructure and greater access to cutting-edge technologies, training and support, from within the robust governance and management framework provided by a crown-owned company,

In turn, New Zealand/Aotearoa's research and education sectors will play an even greater role in delivering economic growth and supporting a more prosperous society with innovation, technology and science delivering new ideas and knowledge and a better way of doing things.

The year ahead

From 1 July, we'll be focused on developing our strategy with the integrated team and the broader sector to ensure we are set up to deliver the benefits the sector needs, capture opportunities and maximise the impact of current investment in eResearch infrastructure.

We will deliver a new Statement of Intent In June 2026 for the years spanning 2026-2029. In it, we will outline how we will deliver on our strategy and measure the success of our work.

In the short term we will focus on delivering outcomes across the following:

> **Capability development.** We will scale the existing training and capability building model to reach across the sector, improve service uptake and grow sector capability.

> **Access to existing capacity.** We will work with the public and private sectors to identify where excess capacity exists that could be made available to the sector via a brokerage or federated service model.

> **Services.** We will build the ecosystem to deliver sector-wide scalable and accessible services. A new pricing and membership model will be implemented by 1 July 2026 that makes services more accessible across the sector and grows the uptake and sophistication of digital research.

> **Existing reserves.** We will investigate the sustainable use of existing reserves to accelerate investment in potential areas such as AI, data and curated storage.

Alongside this work, we'll continue to extend and strengthen the network and work on digital equity. We'll support safe and connected learning and research environments. We'll increase the interoperability and security of the sector by driving consistent development and adoption of key products and services in cyber security, identity and access management and management information reporting. We will continue to invest in and leverage our global relationships and be a 'fast follower', bringing solutions from the GREN to the local market to deliver cost savings and global connectivity for New Zealand Inc.

REANNZ will continue to engage with iwi and the Māori research and education community to build relationships and partnerships, understand how to support their aspirations, and grow Māori researcher representation in our membership.

Our strategic priorities and initiatives to support mātauranga Māori are integrated across our other strategic initiatives, reflecting our strategy to integrate mātauranga Māori into all aspects of our work.
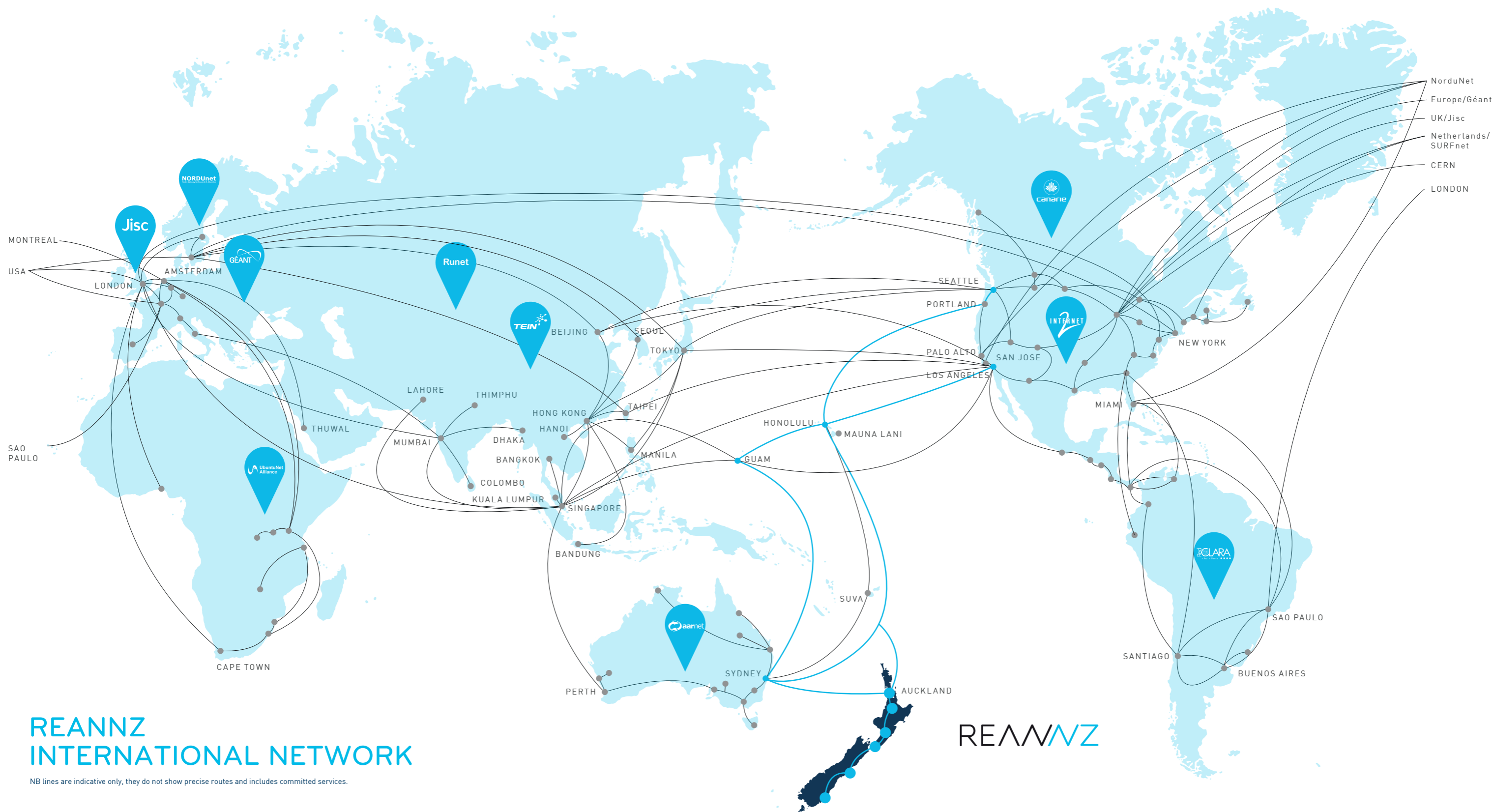
REANNZ NATIONAL NETWORK MAP

NB lines are indicative only

— 100Gbps national backbone network

— 20Gbps and under

— Hawaiki Capacity

— Hāwea cable

GLOBAL RESEARCH AND EDUCATION COMMUNITY /

REANNZ
INTERNATIONAL NETWORK

NB lines are indicative only, they do not show precise routes and includes committed services.

PRIORITIES AND MAJOR INITIATIVES 2025/26 /

Our key initiatives and performance measures are designed to achieve REANNZ's vision of a globally connected and thriving research and education sector. We will deliver this by connecting researchers and educators with our advanced global network and services so they can change the world.

Connecting New Zealand/Aotearoa

REANNZ provides researchers and educators with access to the infrastructure and connectivity they need to advance their work wherever they are. We must constantly evolve to respond to changes in the sector and the technology that supports it.

To ensure we're flexible enough to respond to our members' changing needs, REANNZ has shifted from being a network provider to aggregating sector demand and partnering with the commercial sector to extend our network.

We've worked with mobile, satellite and wireless operators to provide connectivity wherever our members are in New Zealand and rolled out eduroam across New Zealand to provide a seamless way for researchers and educators to connect and to support digital equity. We've built our membership in the government and education sectors.

This year, we'll continue to work with our members so REANNZ can be wherever they need us, aggregating their technology requirements and working with the commercial sector and the GREN to deliver solutions.

We'll extend the reach of core products and introduce new products focused on providing ubiquitous access; and look at ways to connect the research and education sector to the broader innovation and commercial sector to boost pre-commercial, research-based collaboration.

Expected Outcomes

Year 4 (FY26)

› Broader REANNZ membership connects all areas of our research and education sectors.

› Uptake of Govroam has contributed to realising the Government's digitalisation ambitions.

› expanded eduroam footprint that enables greater digital equity

› Resilience is effectively managed with the network able to respond to risk

Year 5 (FY27)

› Preferred provider of connectivity and managed services for the research and education sectors.

FY26 Initiatives

› **Extend the eduroam footprint to provide connectivity anywhere students gather to engage and learn.**

› **Pilot Govroam for the public sector, supporting public servant mobility and complementing government priorities around digitalising government.**

› **Continue to monitor the energy efficiency of the network, expanding scope to include additional technologies required to deliver the future strategy.**

› **Assess and enhance the resilience of the network and related services to serve the best interests of the community.**

Performance indicators

Performance Indicator	Target 2024/25	Expected 2024/25	Target 2025/26
Facilitate universal connectivity and digital equity	Roll out Govroam pilot.	Not achieved – put on hold by Government stakeholders.	Govroam pilot live for one Government entity.
	Increase REANNZ membership by 10% (additional three members).	Partially achieved - two new entities acquired under the Master Services Agreement with Te Pūkenga	Increase REANNZ membership by 10% (additional three members).
	Increase eduroam footprint by 20%.	Partially achieved – expected increase circa 15.5%.	Increase eduroam sites by 10% through additional service provider site deployment.

Performance Indicator	Target 2024/25	Expected 2024/25	Target 2025/26
Strengthen relationships with iwi and Māori research sector	Engage a further three Māori-led research and education programmes to support connectivity, mobility and identity management solutions.	Not achieved	Meetings with a further three Māori-led research and education programmes to support connectivity, mobility and identity management solutions
Solutions launched to enable researchers to connect wherever they are	Enable eduroam over mobile data (4G/5G) with telco providers, and over the networks of Wireless ISPs (WISPs) to further support student and researcher mobility.	Partially achieved One WISP deployment.	Onboard two additional WISPs based on earlier successful deployment. Support deployment of Lower Earth Orbit Satellite (LEOSat) services e.g. Starlink, at two member organisations (via One or 2 Degrees)
Future-proof REANNZ	National Network Strategic Review hardware implemented across the national network.	Achieved	National Network Strategic Review: Replacement of international back-up capacity implemented Member edge roll out complete
Network reliability to support real-time services Note: SPE 24/25 had this incorrectly listed as 0.01%	Packet delay variation: < 0.1% of hourly measurements across the core network have > 20ms of packet delay variation.	Achieved	Packet delay variation: < 0.1% of hourly measurements across the core network have > 20ms of packet delay variation.
Network reliability to support large data transfers	Packet loss: < 0.0001%	Achieved	Packet loss across the core network: < 0.0001%
Commitment to sustainability	Baseline energy efficiency of the national network.	Achieved	Continue to track and report on energy consumption across the national network.

People and culture

REANNZ is successfully building a culture that aligns to our strategy and serves the sector. We continue to invest in training and development and are building the cultural competency of our staff as a step towards increasing our impact for the Māori research and education sectors.

REANNZ has highly skilled, technical staff who are in short supply across New Zealand. We want to maintain our positive staff engagement scores and ensure that REANNZ is a preferred employer in the sector.

As REANNZ continues to implement its strategy, we will need to acquire new skills, diversify our talent base and continue to build our skills in te ao Māori to drive even more impact for the sector.

Expected Outcomes

Year 4 (FY26)

› All of our staff are well-supported in continuous improvement and career development.

› Strengthened cultural capability and understanding of te ao Māori across staff.

› New company strategy reflects the growth of REANNZ

Year 5 (FY27)

› Innovative and member-focused culture.

› Diversity of thought and contributions from staff embedded at all levels.

› Track record of purposeful delivery.

› Continued high engagement and low levels of staff churn.

FY26 Initiatives

› **Continue to invest in and actively support professional development for leadership and all staff.**

› **Programme to encourage staff engagement and respond to the voice of staff.**

› **Continue to elevate and promote the voice of members within REANNZ.**

› **Expand the staff-led committee established to embed our shared understanding of te ao Māori across REANNZ.**

Performance indicators

Performance Indicator	Target 2024/25	Expected 2024/25	Target 2025/26
Professional development in te ao Māori	> 85% of staff attend at least one te ao Māori competency training workshop	Achieved	> 85% of staff attend at least one te ao Māori competency training workshop

Building our global connections

In an increasingly fractured world, the success of REANNZ's ability to leverage our global connections comes down to the strength of our relationships. We continue to increase our participation in the GREN and have taken a greater leadership role in the Asia-Pacific region. We've identified areas of best practice across the GREN and leveraged these for the benefit of REANNZ members as part of our product roadmap work and have found opportunities to share our skills and insights with the global community.

We will continue to invest in and leverage our global relationships to be a 'fast follower', bringing GREN solutions to the New Zealand market to deliver cost savings and global connectivity for New Zealand Inc. In August 2026 we will host the six-monthly Asia Pacific Advance Network Conference in Auckland.

Expected Outcomes

Year 4 (FY26)

> Enduring relationships with global NREN community enabling reciprocal sharing of knowledge.

> Global connections underpin respected REANNZ role in NZ research and education communities

> New Zealand research and education sectors have access to GREN developments because of our 'fast follower' model.

Year 5 (FY27)

> Recognised as an influential NREN member in identity management and network monitoring and measurement.

FY26 Initiatives

> **Systematically identify, prioritise and leverage GREN best practice to meet the needs of our members.**

> **Leadership role in renegotiating EU funding and establishing a new NREN APAC cost sharing model across Asia Pacific.**

> **Finalise Cybersecurity Threat Intelligence MOU with AARNet and other Five Eyes NREN partners.**

> **Actively participate in global working groups in engineering, MANRS, and the Pacific Islands Research and Education Network.**

> **Work across the GREN to understand the role NRENs have in supporting indigenous data sovereignty.**

> **Work with the Asia Pacific Advanced Network committee in preparation for the hosting of APAN 62 in August 2026.**

Performance indicators

Performance Indicator	Target 2024/25	Expected 2024/25	Target 2025/26
Fast follower of global expertise	Product roadmap contains > 50% of new products already proven overseas	Achieved	Product roadmap contains >50% of products already proven overseas.
Enabler of cost efficiencies	Leverage NREN relationships to ensure REANNZ continues to access the following international network capability at no cost: › PoPs at Guam and Hawaii › Capacity on Guam-Hawaii link › Capacity on the Internet2 backbone to Europe › Transit to AWS compute in the US › Leverage APONET relationships for backup network paths	Achieved	Leverage NREN relationships to ensure REANNZ continues to access the following international network capability at no cost: › PoPs at Guam and Hawaii › Capacity on Guam-Hawaii link › Capacity on the Internet2 backbone to Europe › Transit to AWS compute in the US › Leverage APONET relationships for backup network paths › Backup network capacity via AARNET live.
Enhance NREN and sector relationships	Six technical presentations at both regional and international conferences	Achieved	Six technical presentations at both regional and international conferences

Making it easy

We are continually engaging with our members to understand how REANNZ can best support data-intensive research and collaboration in New Zealand, and we are delivering against a co-developed, member-endorsed product and services roadmap.

The sector sees a critical role for REANNZ to support highly secure and controlled computing environments that allow researchers to access and collaborate on sensitive data in a single environment.

We will continue to aggregate common capability and scalable solutions on behalf of the sector, leveraging network and identity services, and international experience and products to support trusted research environments.

We will also continue to increase interoperability and security for our members by driving consistent adoption of key identity management products (Tuakiri and eduGAIN). We will develop our product and service offering in cyber security, identity and access management and management information reporting.

Expected Outcomes

Year 4 (FY26)

› Evolve security services as required by members and changing global security landscape.

› Evolve sector interoperability as required by members and changing global security landscape.

› Deliver cost savings to the sector through the aggregation of common capabilities.

Year 5 (FY27)

› REANNZ known as a technical centre of excellence for the research and education sectors.

FY26 Initiatives

› **Evolve product roadmap to reflect members' changing needs.**

› **Engage with members to raise awareness and utilisation of REANNZ products and services.**

› **Improve sector security posture by applying network level mitigations.**

› **Work with Māori research sector to provide access to our network and services such as eduroam and Tuakiri.**

› **Following the delivery of a new strategy, implement a community aggregation model with the sector.**

› **Assess and procure additional DDoS capability to protect the network and members.**

Performance indicators

Performance Indicator	Target 2024/25	Expected 2024/25	Target 2025/26
Valued by members as defined in the customer satisfaction survey	REANNZ network valuable and essential 80%	Achieved	REANNZ network deemed 'valuable and essential' by 80% of respondents
Responsiveness to members as defined in the customer satisfaction survey	Issue resolution in a timely manner: > 80%	Achieved	Issue resolution deemed to be 'in a timely manner' by > 80% of respondents
Member-led strategy	Develop community aggregation model to support the sector by consolidating member demand for data storage and security services.	Achieved	Terms of Reference signed with the community to coordinate procurement of common capability as determined by the sector.
Better connected members	> 25% uptake rate of non-network products by members in year 1. +25% increase their utilisation of eduroam.	Achieved	>25% uptake rate (average product penetration by segment) of non-network products[1] by members. Note: there are different product sets by segments +25% increase in authentication of unique *eduroam* devices (measures activity outside of home institution)
Cross-sector interoperability	Implement Tuakiri Managed idP service at four members.	Achieved	Increase active Tuakiri Service Provider footprint by 10% (four additional service providers)
	Develop two use cases for Tuakiri Identity Management services.	Achieved	
Continuity of service	Network availability over time: 99.95%		National network availability over time: 99.95% International network availability 99.95%

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[1] Non-network products are defined as products not related to network connectivity. The list of products and product definitions are maintained in the REANNZ product roadmap.

PROSPECTIVE FINANCIAL STATEMENTS /

Research and Education Advanced Network New Zealand Limited

Prospective Statement of Comprehensive Revenue and Expense for the Year ending 30 June

Forecast 2025 $ 000		Budget 2026 $ 000
	Revenue	
6,750	Grant revenue	6,750
7,574	Network revenue	7,420
2,836	Other Income	2,950
1,640	Interest revenue	1,208
18,800	**Total Revenue**	**18,328**
	Network Expenses	
4,839	International Network	5,171
3,450	National Network	3,571
327	Depreciation and amortisation	533
2,757	Network Personnel	3,010
11,373	**Total Network Expenses**	**12,285**
7,427	**Gross Surplus**	**6,043**
	Other Expenses	
65	Depreciation	114
2,492	Employment expenses	2,717
3,718	Other Operating Expenses	2,978
6,275	**Total Other Expenses**	**5,809**
1,152	**Surplus excluding Other Gains**	**234**
	Other Gains	
570	Foreign currency Gain	-
570	**Total Other Gains**	**-**
1,722	**Net Surplus**	**234**
1,722	**Total Comprehensive Revenue and Expense**	**234**

Research and Education Advanced Network New Zealand Limited

Prospective Statement of Financial Position As at 30 June

Forecast 2025 $ 000		Budget 2026 $ 000
	Current Assets	
4,777	Cash and cash equivalents	4,978
29,048	Investments	31,067
157	Derivative financial instruments	55
1,802	Receivables	1,778
353	Prepayments	363
2,023	Prepaid network expenses	1,989
38,160	**Total Current Assets**	**40,230**
	Non-Current Assets	
15,591	Prepaid network expenses	14,297
3,030	Property, plant and equipment and intangibles	2,563
55	Derivative financial instruments	-
18,676	**Total Non-Current Assets**	**16,860**
56,836	**Total Assets**	**57,090**
	Current Liabilities	
500	Accounts Payable and accrued expenses	515
220	GST payable	197
354	Employee entitlements	406
1,802	Deferred revenue	1,778
2,876	**Total Current Liabilities**	**2,896**
	Non-Current Liabilities	
-	Non-Current Liabilities	-
-	**Total Non-Current Liabilities**	**-**
2,876	**Total Liabilities**	**2,896**
53,960	**Net Assets**	**54,194**
	Equity	
16,001	Share capital	16,001
4,600	Capital contribution	4,600
33,359	Accumulated Surplus	33,593
53,960	**TOTAL EQUITY**	**54,194**

Research and Education Advanced Network New Zealand Limited

**Prospective Statement of Cash Flows
for the Year ending 30 June**

Forecast 2025 $ 000		Budget 2026 $ 000
	Cash Flows from Operating Activities	
	Cash was provided from (applied to)	
6,750	Grant revenue	6,750
7,602	Network revenue	7,437
2,806	Other revenue	2,876
1,764	Interest received	1,083
(56)	Net GST	104
(12,256)	Payments to suppliers & employees	(12,347)
(4,897)	Prepayments for network connectivity	(3,465)
570	Realised gain on foreign currency	-
2,283	**Net cash flow from operating activities**	**2,438**
	Cash flows from investing activities	
	Cash was provided from (applied to)	
(1,235)	Purchase of plant & equipment	(237)
(844)	Purchase of intangible assets	-
1,250	Term deposit investments	(2,000)
(829)	**Net cash flow from investing activities**	**(2,237)**
	Cash Flows from Financing Activities	
-	Cash was provided from (applied to)	-
-	**Net Cash Flow from Financing Activities**	**-**
1,454	**Net Increase/(Decrease) in Cash Held**	**201**
3,323	Cash at the beginning of the year	4,777
4,777	**Cash at end of year**	**4,978**

Nature and purpose of prospective financial statements

The Prospective Financial Statements have been prepared to the best of our knowledge and belief as an indication of REANNZ's future financial performance. Actual financial results achieved for the period covered may vary from the information presented, and potentially in a material manner.

The purpose of the Prospective Financial Statements is to inform readers of this Statement of Performance Expectations of REANNZ's best estimate of its future financial performance at the date of publication, and to comply with the company's specific reporting and disclosure obligations. The statements may not be suitable for other purposes.

Notes to the Prospective Financial Statements

Significant Assumptions

The following assumptions have been made in the preparation of the prospective financial statements:

- · Transactions paid for in United States dollars (USD) have been converted to New Zealand dollars (NZD) at a rate of 0.57 USD to 1 NZD.

- · Transactions paid for in Australian dollars (AUD) have been converted to New Zealand dollars at a rate of 0.90 AUD to 1 NZD.

- · The short-term deposit rate is 3.50% per annum.

Reporting Entity

The reporting entity is Research and Education Advanced Network New Zealand Limited (REANNZ), a Crown entity as defined by the Crown Entities Act 2004 and a New Zealand incorporated company. As a Crown entity, REANNZ's ultimate parent is the New Zealand Crown.

REANNZ's primary objective is to establish, own and operate a high-speed communications network for the research and education sector. As such, REANNZ's aim is to provide services to the public, rather than make a financial return.

Accordingly, REANNZ has designated itself as a Public Benefit Entity (PBE) for the purposes of PBE accounting standards with reduced disclosures.

Basis for preparation

Statement of compliance

The Prospective Financial Statements have been prepared in accordance with the Crown Entities Act 2004, and with generally accepted accounting practice in New Zealand (NZ GAAP).

These Prospective Financial Statements comply with PBE accounting standards, which include PBE FRS 42 Prospective Financial Statements.

These Prospective Financial Statements have been prepared in accordance with Tier 2 PBE accounting standards with reduced disclosures. REANNZ is eligible to report as a Tier 2 reporting entity on the basis that it does not have public accountability and is not large.

Presentation currency and rounding

The Prospective Financial Statements are presented in New Zealand dollars, rounded to the nearest thousand ($000). The functional currency of REANNZ is New Zealand dollars.

Significant accounting policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability. REANNZ accounting policies, therefore, are designed to report the substance of the underlying transactions undertaken by the entity.

The following significant accounting policies have been adopted in the preparation and presentation of the Prospective Financial Statements.

Goods and services tax (GST)

These Prospective Financial Statements are prepared on a GST-exclusive basis except for accounts receivable and accounts payable, which include GST.

The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows

Foreign currency transactions

Transactions in foreign currencies, including those for which forward foreign exchange contracts are held, are translated to New Zealand dollars (the functional currency) at the spot rate on the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Income tax

As a public entity under Section CW 38(2) of the Income Tax Act 2007, the company is exempt from income tax. Accordingly, no provision has been made for income tax.

Statement of Cash Flows

The Prospective Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue and Expense.

Definitions of the terms used in the Prospective Statement of Cash Flows are:

'Cash' includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash used by REANNZ as part of its day-to-day cash management.

'Operating activities' include all transactions and other events that are not investing or financing activities.

'Investing activities' are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

'Financing activities' are those activities relating to changes in equity.

Revenue

The specific accounting policies for significant revenue items are explained below.

Grant revenue

REANNZ is funded in part by the Crown from the Strategic Science Investment Fund (SSIF). The SSIF operational grant is provided to partially fund the delivery of specialist services and activities to meet the Government's goals for research and education. REANNZ delivers an agreed work plan and the grant is recognised as revenue when paid because there are no other conditions attached.

Additional SSIF Capital for Infrastructure funding was provided for technical investment in the REANNZ network.

Network and other revenue

Revenue is measured at the fair value of the consideration received or receivable. All transactions are exchange transactions.

Receivables and debtors

Accounts receivable are recorded at the amount due less an allowance for credit losses. REANNZ applies the simplified credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, receivables have been assessed on an individual basis.

Receivables are expensed in the Prospective Statement of Comprehensive Revenue and Expense when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Investments

Term deposits

Investments in bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

Derivative financial instruments

REANNZ enters into derivative financial instruments, including forward foreign exchange contracts, as part of its normal operations to manage its exposure to foreign exchange rate risk. REANNZ does not hold or issue derivatives for trading purposes. REANNZ has not adopted hedge accounting.

Derivatives are initially recognised at the fair value on the date a derivative contract is entered into and are subsequently revalued to their fair value at each balance date, with the resulting gain or loss recognised in the Prospective Statement of Comprehensive Revenue and Expense.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward foreign exchange derivatives is classified as non-current.

Derivative financial instruments are recognised at their fair value in the Prospective Statement of Financial Position.

Property, plant and equipment

Property, plant and equipment consist of six classes, which are measured at cost less accumulated depreciation and impairment losses:

- Leasehold improvements
- Information technology equipment
- Office equipment
- National Point of Presence (PoP) equipment
- International Point of Presence (PoP) equipment
- Fibre and fibre housing.

Additions

The cost of an item of property, plant and equipment is only recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to REANNZ and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, the asset will be recorded at fair value at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to REANNZ and the cost of the item can be measured reliably.

Where assets are purchased outright, they are recognised once control is obtained and available for use. Where assets are yet to be installed, relevant costs are initially captured in capital equipment not in use and then transferred to fixed assets once the asset is available for use.

Disposals

Gains and losses on disposals are determined by comparing the proceeds of disposal with the carrying amount of the asset. Gains and losses on disposal are included in the Prospective Statement of Comprehensive Revenue and Expense.

Depreciation and amortisation

Depreciation on property, plant and equipment is calculated on a straight-line basis, from the time the asset is in the location and condition necessary for its intended use. This basis allocates the cost or value of the asset, less its residual value, over its estimated useful life.

The depreciation method; estimated useful lives; and residual values of property, plant and equipment, are reviewed annually to assess appropriateness.

The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	3-5 years
Information technology equipment	3 years
Office equipment	5 years
National PoP equipment	3-8 years
International PoP equipment	5-7 years
Fibre and fibre housing	20 years

Non-cash generating assets

REANNZ does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Impairment of property, plant and equipment

At each reporting date, assets are reviewed by the Directors to determine whether there are any events or changes in circumstances that indicate that carrying amounts may not be recoverable.

An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its estimated recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either depreciated replacement cost, restoration cost, or service units. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is then recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expense.

Any reversal of an impairment loss is recognised in the Prospective Statement of Comprehensive Revenue and Expense. Impairment losses can only be reversed to the extent that the carrying amount of the asset matches the carrying amount as calculated under the cost less accumulated depreciation method.

To the extent that an impairment loss for a revalued asset was previously recognised in the Prospective Statement of Comprehensive Revenue and Expense, a reversal of impairment loss is also recognised in the Prospective Statement of Comprehensive Revenue and Expense.

For items of property, plant and equipment that are not carried at a revalued amount, the total impairment loss is recognised in the Prospective Statement of Comprehensive Revenue and Expense, a reversal of impairment loss is also recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. When recognising and initially measuring these assets, REANNZ has established that they are identifiable, under its control, and likely to generate future economic benefits. These assets are initially recorded at cost.

REANNZ has intangible assets which have a finite useful life and intangible assets which have indefinite useful life. An indefinite intangible asset refers to a valuable non-physical asset that has no foreseeable limit to its useful life.

Amortisation

The carrying value of an intangible asset with a finite useful life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use.

The following estimated useful life are used in the calculation of amortisation:

Software Licenses   5 years

Intangible assets that have an indefinite useful life are not subject to amortisation.

Impairment of intangible assets

If there are any impairment indicators as detailed in the note on the Impairment of property, plant and equipment, then the impairment loss will be recognised in the Prospective Statement of Comprehensive Revenue and Expense.

For indefinite useful life intangible assets, an impairment test has to be done annually. At year end, the carrying value of an indefinite intangible asset will be assessed and any market adjustment will be recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Payables

Short-term payables are recorded at the amount payable.

Employee entitlements

Employee benefits due to be settled within 12 months after the end of the year in which the employee provides the related service, are measured based on the accrued entitlements at current rates of pay. These include salaries and wages accrued up-to balance date, and annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation, or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Commitments and contingencies

A schedule of commitments and contingencies is not separately disclosed in these Prospective Financial Statements.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards, incidental to ownership of an asset, to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Where the leased items are not in use, the operating lease payments will be treated as a prepayment in the Prospective Statement of Financial Position. Once the items begin to be used in deriving revenue, these prepayments are released to the Prospective Statement of Comprehensive Revenue and Expense on a straight-line basis over the period of the remaining operating lease term.

REANNZ